

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	92 Civ. 5209 (TPG)
Plaintiff,	:	
	:	<u>OPINION</u>
– against –	:	
	:	
JOHN T. MORAN, et al.,	:	
	:	
Defendants.	:	
	:	
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In 1992, the Securities and Exchange Commission (“Commission”) brought this civil injunctive suit against defendants, alleging violations of federal securities laws arising from a fraud on the market. Judgments were eventually entered against all defendants. The judgment against defendant Allan Schrager (“Schrager”) ordered disgorgement totaling \$216,970.00. The Schrager judgment further ordered that the funds were to be used to pay those with valid claims arising from Schrager’s unlawful conduct. However, in the event that no such claims were submitted to the court by June 30, 2007, the judgment ordered the funds disbursed to the United States Treasury.

Schrager paid the entirety of the ordered disgorgement into an interest-bearing account in the Court Registry Investment System (“CRIS”). The balance on the account has since risen to \$368,777.57. The

Commission now moves to transfer this sum to the United States Treasury.

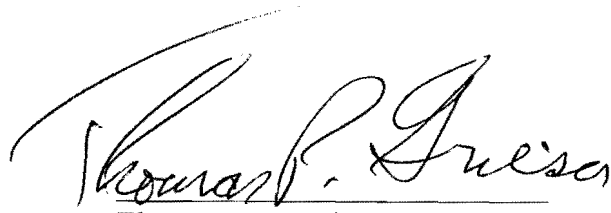
No claims were submitted to the court by June 30, 2007, so by the terms of the Schrager judgment, the disgorged money should be remitted to the United States Treasury. Furthermore, given the relatively small sum at issue, the diffuse nature of the underlying fraud, and the time that has elapsed since its commission, it would be highly impractical to compel the Commission to locate and compensate the victims of Schrager's conduct. In these circumstances, the disgorged funds may be transferred to the Treasury. See S.E.C. v. Dimensional Entm't Corp., No. 77 Civ. 5290, 1996 U.S. Dist. LEXIS 2824, at *5 (S.D.N.Y. March 12, 1996). Accordingly, it is hereby

ORDERED that the Clerk of the Court is directed to disburse to the Commission, for it to remit to the United States Treasury, the amounts on deposit in CRIS Docket Account No.: 1:92v0509-5. The Clerk shall send such amounts to: Securities and Exchange Commission, Office of Financial Management, 100 F Street NE, Mail Stop 6042, Washington, D.C. 20549. The Clerk shall include a letter identifying the above action; setting forth the title and civil action number of this action and the name of this court; and specifying that payment is made pursuant to this Opinion so that the Commission may send such funds to the United States Treasury. The Commission shall supply the Clerk with a properly addressed, prepaid shipping envelope for this purpose.

AND IT IS FURTHER ORDERED, that upon receipt of such funds, the Office of Financial Management of the Commission shall promptly remit such funds to the United States Treasury.

AND IT IS FURTHER ORDERED, that all other provisions of the Final Judgments entered in this action against defendants shall remain in full force and effect.

Dated: New York, New York
January 3, 2012



Thomas P. Griesa
U.S.D.J.